quit the market, are forecast to plummet by 125 percent compared to this year's projected unit sales.

Perhaps the brightest outlook is for compact disc players, with an estimated 100-percent increase in unit sales in 1985 over 1984. Sales of table, clock and portable radios are expected to equal 1984's projected levels. And compact audio systems are forecast to drop by two percent.

Personal computer dollar shipments were projected to increase by more than 58 percent in 1984 compared to 1983, according to Future Computing Inc., which forecasts a much slower 38-percent growth rate for 1985 over 1984. Because of price-cutting and a near glut of products this year, however, it reported recently that even big chains like Tandy Corp. are losing money or turning only small profits on personal computers.

Home computer sales should rise by 23 percent next year, according to EIA/CEG. And home computer software is expected to experience sales growth of better than 45 percent in 1985. Sales of programmable video games and video game cartridges are expected to continue to slide next year.□ EDWARD E. OHLBAUM

Estimated Household Penetration By Product

All Television	98%
Color TV	91%
Monochrome TV	70%
Projection TV	1%
VCR	13%
VDP	1%
Programmable Video Games	24%
Home Computers	10%
Audio Systems	81%
— Compact	45%
— Component	34%
— Console	18%
Telephone Answering Devices	4%
Cordless Telephones	9%
Home Radios	98%

Source: Electronic Industries Assn./Consumer Electronics Group

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ITT Commercial Finance

Compact disc units poised for '85 sales

Compact discs and compact disc players are expected to continue very healthy sales growth in 1985. The world's first portable CD player, Sony's new D-5, can be used with optional battery pack/carrying case and optional headphones for music on-the-go, or it can be plugged into a home hi-fi system. List price is $299.95.

Concert hall realism is also available in two of the vendor's units for the car, CDX-5 ($599.95 list) and CDX-R7 ($699.95 list), which includes a quartz frequency synthesis AM/FM tuner. Both models conform to the new DIN standard for in-dash car stereo units.

Two new Sony CD players for the home round out the vendor's newest CD products. The CDP-111 ($600.00 list) is the firm's lowest priced unit with remote control. And the CDP-210ES ($550.00 list) is Sony's lowest priced product in the ES line.

Sony recently launched an "umbrella" advertising campaign to support sales of the CD products on cable network MTV and in print ads in national consumer and hi-fi buff publications. In addition, the company's 30-second TV spot was scheduled for broadcast by major market TV stations.

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MART® 85

JANUARY 1985

Business Ideas Today's Retailer Needs to Know

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The co-op game: Is it worth playing?

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- Extended Warranties Spur Sales
- Consumer Advertising Review

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- First Satellite TV Franchises for Sale

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Frank Cocca Jr.

ESTABLISHED 1953

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Survey shows retailers discovering home security phone systems

These high-ticket items, returning an average 33% margin, are set to penetrate more outlets

OUR MARRIAGE CAN MEAN A BIGGER SLICE FOR YOU.

A bigger slice of profit from increased phone sales.

And your phone sales will increase, because Southwestern Bell Telecom and Freedom Phone® have joined to offer your customers a complete line of phones and telecommunications products at competitive prices.

A line of Freedom Phones that can't help but sell, because they're a quality line. Quality that can only come from bringing together some of the best people in the industry, and from having one of the highest production standards.

To prove it, we're offering a one to two year warranty (depending on the phone) with the option of taking a 5 to 10 year extended warranty on any phone we sell at prices you won't believe.

Exciting? We think so. And now that we've told you about our phones, we're going to tell the nation with a motivating advertising campaign.

So, if you've missed our wedding, come to our reception at the Consumer Electronics Show. Don't miss a chance to cut yourself a bigger slice of the profit.

Come to booth 5152
Consumer Electronics Show
Las Vegas, Nevada
January 5-8, 1985

Freedom Phone®
Southwestern Bell Telecom

Circle No. 131

If you are like most retailers you are looking at the marketplace cautiously for the future. The traditional telephone business has become a jungle, and dealers all over are scouting around for different-but-related product lines to act as new sources of revenue.

A recent poll conducted by MART/ *Telecommunications Retailer* shows that many of our readers have discovered home security phone systems as an emerging growth category. Forty-seven percent of those responding are currently carrying at least one line in this product category and, of those indicating they are not carrying this type of product at present, 47.1 percent state they plan to begin stocking home security phone systems within the next six months.

Those retailers who have committed themselves to selling these security systems appear to have put their hearts and part of their wallets into it. While 18.8 percent replied they carry at least one system, 50 percent carry at least two and 31.2 percent are selling three or four different systems. Additionally, an even 50 percent indicated they plan to add more brands between now and March.

Many retailers have discovered home security phone systems as an emerging growth category: some already carry at least one line and others plan to do so within the next six months.

Given this level of retailer activity one would expect sales to be strong but the figures are fairly non-committal on this subject. Although 42.8 percent believed their sales in this category were up between one percent and 25 percent over the same period last year, 43.7 percent claimed their market was static, with sales about the same, and 12.5 percent indicated a drop in sales of up to 10 percent.

On the positive side of these percentages one telephone specialist shop manager felt, "The public seems to be getting 'braver' and beginning to buy more from the independent commercial phone stores," but most

What *one* thing would you like manufacturers of home security phone systems to do?

Lower prices	18.0%
More p-o-p aids	18.0%
More co-op advertising	14.9%
Better deliveries	4.5%
More sales training	10.5%
More national ad support	18.0%
Better repair service	14.9%
Other	1.5%
Total	100.3%

**Totals more than 100% because of multiple responses*

What is the average margin you get on a home security phone system?

-10%	6.2%
20%-29%	18.7%
30%-39%	31.2%
40%-49%	25.2%
50%-59%	6.2%
60% and over	—
No answer	12.5%
Total	100.0%

What is your most popular price point for a home security phone system?

$100 and under	18.7%
$101 to $200	25.1%
$201 to $300	37.5%
$301 and over	18.7%
Total	100.0%

How have your sales so far this year compared to the same period last year?

Up by . . .	
1%-10%	18.8%
11%-15%	6.2%
16%-25%	18.8%
About the same	43.7%
Down by . . .	
1%-10%	12.5%
Total	100.0%

agreed with a New York area dealer who claimed, "Sales will be slow until the consumer becomes educated to the product and its benefits."

What do dealers feel they need most from manufacturers to improve sales? In a three-way tie more national ad support, more point-of-purchase aids and lower prices topped the list with 18 percent each. Also reflecting importance was the need for more co-op advertising and better repair service, each cited by 14.9 percent of the respondents.

Dealers want more national and co-op ad support, more Point-of-Purchase aids, lower prices and better repair service from manufacturers.

Regardless of sales activity, home security phone systems do appear to be a profitable item for those making sales. Our respondents indicated that over 55 percent of all systems leaving the shop left at least $200 in the cash register with the bulk of sales garnering between $200 and $300. Margins appear healthy as well — with 31.2 percent of sales netting between 30 and 39 percent and 25.2 percent realizing between 40 and 49 percent — our respondents' average margin worked out to 32.7 percent.□